

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

ATTORNEY GENERAL'S THIRD SET OF DOCUMENT AND
INFORMATION REQUESTS

D.T.E. 06-54

Respondent: Theodore Poe, Jr.

Date: September 28, 2006

Information Request AG-3-2

- Q. Refer to Exh. TEP-4. Please explain why in 2004/05 the Chatham/Eastham resource increases to 295 MMBtu/hr from 60 MMBtu/hr in the prior year and then decreases to 90 MMBtu/hr for the remaining years (2005/06 through 2014/15).
- A. The figures listed for the Chatham and Eastham LNG vaporization units represent the maximum hourly ratings of the vaporization units actually in place for the years 2003/04 and 2004/05. Although there was no forecasted requirement for additional vaporization prior to the winter of 2003/04, the Company situated a 60 MMBtu/hour vaporizer at the east end of Cape Cod to reinforce system pressures as a contingency measure. During the winter of 2003/04, the Company experienced a peak day (80 effective degree days) colder than its planned design day (78 effective degree days). Thus, prior to the start of the 2004/05 peak season, the Company reinforced the distribution system with increased temporary LNG vaporization capability of 250 MMBtu/hour at Chatham and 45 MMBtu/hour at Eastham, which sums to the 295 MMBtu/hour listed in Exhibit TEP-4 for 2004/05.

As stated in response to Information Request AG 3-1, the analysis set forth in Exhibit TEP-4 is designed to show the need for additional resources assuming the availability of only 90 MMBtu/hour of LNG vaporization. This assumption reflects the Company's determination that the long-term reliable operation of the system requires less reliance on the output of temporary LNG vaporizers. This is discussed in Exhibit KED-4, pages 2-18 and 2-19, which is the need analysis submitted to the EFSB. As a contingency measure, the Company will maintain a total of 295 MMBtu/hour in Chatham and Eastham pending the addition of the Algonquin capacity starting November 1, 2007.